

GOAL 10: EFFECTIVE MANAGEMENT

EPA will maintain the highest quality standards for environmental leadership and for effective internal management and fiscal responsibility by managing for results.

PROGRESS TOWARD THE STRATEGIC GOAL AND OBJECTIVES

EPA promotes effective management and fiscal responsibility by focusing on services that enable EPA program offices to make results-based decisions and meet environmental protection goals in a cost-effective manner. The accomplishments highlighted in this chapter demonstrate EPA's management abilities in human resources, information technology, financial management, procurement, and accountability. They also highlight the Agency's work to advance the President's Management Agenda (PMA),¹ and to protect human health and the environment.

FY 2002 PERFORMANCE

EPA's most significant management accomplishments reflect strides in managing human capital, streamlining business processes and meeting customer needs, improving financial performance, investing in infrastructure, protecting children's health, and improving management and program operations. The steps taken under these initiatives are intended to provide resources, technology, and financial information directly to EPA program managers for decision making purposes. As of September 30, 2002, EPA was one of only two federal agencies that received *green* progress ratings from the Office of Management and Budget (OMB) on all five of the PMA initiatives tracked in the Executive Branch Management Scorecard.² In addition, EPA was selected as 1 of the 7 finalists from 100 nominations government-wide for the 2002 President's Quality Award Program, for its accomplishments in Budget and Performance Integration.

Managing Human Capital

EPA has set in motion a variety of human capital initiatives aimed at investing in its employees and addressing its hiring needs to ensure that the Agency has the skill base and the diversified workforce to accomplish its mission. EPA faces significant challenges in obtaining a workforce with the highly specialized skills and knowledge required to accomplish its work. Retirement projections for FY 2002 through FY 2007 indicate that 27 percent of the EPA workforce will be eligible to retire within the next 5 years—including 26 percent of the scientific-technical workforce and 54 percent of the Senior Executive Service (SES).³ EPA's human capital strategy,⁴ aligned with the PMA goals, and several initiatives in FY 2002 were aimed at addressing the expected loss of talent at all levels of the Agency. EPA has submitted its Five-Year Restructuring Plan, which focuses on how the Agency is addressing the most critical workforce issues through realistic, creative approaches.⁵ The plan's strategies will provide for an EPA workforce that is innovative and skilled at applying the most productive ways to address significant environmental problems in a more cost-effective manner. To align human capital activities with the Agency's Strategic Plan revisions, EPA is developing a Workforce Planning System that links competencies to mission needs along core business lines. Specifically, in FY 2002 the Agency made significant progress in implementing the workforce development strategy, which is a major component of the human capital strategy.

EPA is making progress in implementing its human capital strategy by launching an SES Candidate Development Program, hiring its fifth class of EPA interns, developing programs for its workforce, and completing the first phase of a

Strategic Workforce Planning system. FY 2002 accomplishments are highlighted below:

- Selection of 51 candidates from a pool of 655 applicants for the Agency's SES Candidate Development Program. Candidates will undergo a rigorous 15- to 18-month developmental program that will prepare them for placement into future SES vacancies.
- Hiring of 41 interns as part of the EPA intern program. Since its inception in 1998, the program has selected a total of 152 interns, exceeding the Agency's original target of 120 interns. EPA selected this diverse cadre of young people based on academic accomplishments, leadership potential, commitment to a career in public service, and interest in environmental issues. This new class and those that preceded it will help to prepare the Agency for the projected loss through retirement of its most senior people. This centrally funded program continues to receive senior management support.
- Implementation of programs geared toward better preparing the Agency's workforce for the challenges of the future. EPA's Management Development Program reestablished a curriculum of courses for Agency supervisors and managers. The Mid-level Development Program provides five courses that focus on building cross-cutting competencies and skills that all employees need to work effectively. About 400 employees per year receive this training. The New Skills/New Options program supports administrative staff development through the use of structured self-assessments, career planning tools, and online learning.
- Implementation of the strategic workforce planning system. EPA highlighted public and private sector best practices; completed 112 pilot office interviews; finalized the requirements analysis, line of business document, and competencies report; and submitted the Strategic Workforce Planning Methodology Options Report.

Streamlining Business Processes and Meeting Customer Needs

In FY 2002 EPA increased the services that it offers electronically to its employees and customers and provided greater accessibility to grants information through electronic government initiatives. These actions were taken in direct response to the President's e-government initiative as outlined in the PMA.

- EPA expanded e-government opportunities by making grant opportunities available to prospective recipients electronically as well as by incorporating into its new Grants Competition Policy the requirement to use the Federal Business Opportunities (FedBizOpps) Web site for posting grant solicitations.⁶ EPA participated in work groups that defined standard data elements and format for grant solicitations. EPA also joined the Intergovernmental Online Registry, a system for handling funds transferred between agencies in interagency agreements (IAGs). It is expected that this registry will be used to order goods and services through IAGs.
- In the area of acquisitions, EPA extended the use of electronic signatures, developed interfaces with current Agency-wide systems involved in the buying and paying process, and developed a business case for the replacement of the legacy small purchases system.

EPA continued its use of performance-based contracts that allow the contractor flexibility to propose innovative ways of achieving environmental results with limited government intervention. The Agency increased its percentage of performance-based awards from 10 percent in FY 2001 to 17 percent in FY 2002.⁷ Although the goal of 20 percent was not achieved, considerable efforts have been made to negotiate individual performance-based work assignments or task orders under existing contracts. EPA plans to continue these efforts for both existing and new contracts in FY 2003.

In support of the PMA Initiative for competitive sourcing, the Agency has made

substantial progress in implementing competitive sourcing within EPA. The Agency identified 90 positions, or 100 percent of EPA's FY 2002/2003 competitive sourcing goal, for competitive review or conversion. The Agency directly converted 36 positions to the private sector and began reviews of 21 additional positions, thus exceeding its FY 2002 goal. An interoffice team was convened to develop a more strategic and sustainable approach to competitive sourcing. The team's focus will include identifying similar functions across Agency program offices that can be *bundled* for competitive review.

Improving Financial Performance

EPA continues to strengthen its financial management practices, as required by the PMA, to enhance customers' confidence in the delivery of the Agency's environmental results. In FY 2002 EPA improved its status score for financial management on OMB's Executive Branch Management Scorecard from *red* to *yellow* in recognition of significant progress. FY 2002 accomplishments are highlighted below:

- EPA corrected and resolved all four of its standing material weaknesses. This marks the first time in the Agency's 20-year history of complying with the Federal Managers Financial Integrity Act requirements that EPA will not report any material weaknesses. (*Refer to Section III, "Management Accomplishments and Challenges," for further discussion.*)
- Upgrading of software applications, which resulted in improved quality and greater ease in generating financial statements. In FY 2002 the Agency again received a clean opinion for its FY 2002 financial statements and developed the capability to produce statements on a quarterly basis. This improvement will help meet accelerated year-end and periodic reporting requirements. In addition, EPA began development of a new financial reporting approach involving business intelligence tools that will produce real-time program information and help managers to make

better business and program management decisions.

- EPA is replacing its Integrated Financial Management System and related systems. In FY 2002 the Agency performed a strategic assessment of existing systems and their functions, current business processes, and potential business needs. Based on the assessment, EPA began developing requirements and architecture options for a comprehensive new system, including cost estimates for various commercial off-the-shelf software.
- The Agency assessed its vulnerability to erroneous payments in response to OMB requirements and the PMA. EPA created a task force to review existing processes and controls over the Clean Water and Drinking Water State Revolving Funds. The task force found the occurrence of erroneous payments to be as low as 0.13 percent and 0.04 percent for the respective funds and the controls to be excellent. In addition, EPA's Office of the Inspector General found the Agency's controls to be effective in identifying and correcting duplicate payments.
- EPA's new grant competition policy⁸ became effective on October 1, 2002. The policy directly supports the PMA initiative on financial management to implement an effective grant competition policy and strengthen grant oversight.⁹

Investing in EPA's Infrastructure

In FY 2002 EPA completed 56 physical security vulnerability risk assessments.¹⁰ As a result, the Agency strengthened its perimeter, entrances and exits, interior, and security planning capabilities by increasing guard services and procuring and installing perimeter countermeasures, security equipment, and emergency communications systems.

EPA completed state-of-the-art construction projects at Research Triangle Park, North Carolina, and the Region 7 office in Kansas City that will better prepare the Agency and its



Aerial view of EPA's Campus at Research Triangle Park, North Carolina. Photograph taken by "Flying Fotos" in Chapel Hill, NC, on October 10, 2001.

employees to face the environmental scientific challenges of the 21st century. The new EPA campus at Research Triangle Park, the largest facility ever designed and built by the Agency, operates on an environmentally friendly, cost-effective, and highly functional basis. The facility provides state-of-the-art laboratories and offices and represents EPA's commitment to scientific excellence in the pursuit of human health and environmental protection.

The Agency also completed its move into the Federal Triangle complex, the new headquarters for EPA. In conjunction with the Department of Energy, EPA provided technical advice to pilot laboratory partners from the federal, public, and private sectors by sharing technical information and innovative whole-laboratory designs for reducing energy and water consumption and pollution as a result of its experience at the Federal Triangle site.¹¹

Protecting Children's Health

Protecting children from environmental threats remains a priority for EPA. In FY 2002 the Agency continued its efforts toward developing knowledge about the relationship between environmental factors and children's health. These efforts include the issuance of a second report on trends in measures reflecting environmental factors that might affect the health and well-being of children, an intra-agency

effort across programs to develop information on children's exposure to environmental contaminants, and the revision of EPA's cancer risk assessment guidelines to include consideration of children.

States play a critical role in protecting children's health. EPA forged relationships with the Environmental Council of the States (ECOS) and the Association of State and Territorial Health Officials (ASTHO). In FY 2002 ASTHO convened a series of meetings of state health and environment officials with the purpose of developing a national action agenda to reduce environmental triggers of childhood asthma. EPA is also working with the National Conference of State Legislatures, which launched an online database of state children's environmental health legislation, conducted a national workshop for state legislators on children's environmental health, and is developing a legislative guide that explores policy options for states on children's environmental health issues.

EPA is supporting the American Academy of Pediatrics, which recently conducted its third workshop for chief pediatric residents on children's environmental health. With EPA's support, the American Nurses Association



EPA led a multi-agency effort to celebrate Children's Health Month in October 2002. For information on topics and tips to discover the rewards of healthy children, check out EPA's Web site at <http://www.childrenshealth.gov>.

published three continuing education modules on children's environmental health and conducted children's environmental health workshops at four meetings of professional nursing organizations.

In August–September 2002 EPA successfully launched an international partnership on children's environmental health indicator development at the World Summit for Sustainable Development in Johannesburg, South Africa. The Commission for Environmental Cooperation produced an agenda for action on children's environmental health in the United States, Mexico, and Canada and has started implementing projects on risk assessment and indicators. EPA sponsored a major conference on children's environmental health in Southeast Asia, generating interest in the subject from policy makers, researchers, non-governmental organizations, and health care professionals.

Improving Management and Program Operations

In response to recommendations of EPA's Office of the Inspector General (OIG), the Agency undertook action that contributed to cost savings, improvements in business practices, and increased environmental results. The Agency took action in the following areas:

- At EPA's request, several communities implemented the OIG-recommended best practices and solutions to improve operations and reduce costs in resolving the combined sewer overflow discharges of untreated domestic, commercial, and industrial wastewater.¹²
- Investigation of an environmental services company doing scientific testing for EPA resulted in the company's conviction for conspiring to alter scientific test data and its assessment of \$18 million in criminal and civil fines and penalties.¹³
- Completion of audits, evaluations, and the issuance of advice by the OIG resulted in the recommendation of more than \$35 million in savings, questioned costs, and improvements in EPA's programs and operational performance.¹⁴ For example, the OIG recommended that EPA develop

OIG PROFILE OF PERFORMANCE

| | |
|---|------|
| ✓ Questioned Costs/Savings (millions) | \$35 |
| ✓ Fines, Recoveries, Settlements (millions) | \$20 |
| ✓ Criminal, Civil, Administrative Actions | 79 |
| ✓ Environmental Program Actions/Improvements | 29 |
| ✓ Management Operational Actions Improvements | 95 |
| ✓ Recommendations (Environmental & Operational) | 384 |
| ✓ Customer Service Rating | 79% |

Source: Inspector General Operations and Reporting System, and the OIG Performance and Results Measurement System. All data originate from audits and evaluations done in conformance with Professional Standards of the Comptroller General, official records of legal and administrative proceedings, and direct independent surveys with OIG clients and stakeholders.

regulations, qualification protocols, and risk-based targeting and apply them to control the open market trading of air emissions credits.¹⁵

- Ongoing investigative initiatives continued to uncover criminal activity in EPA's assistance agreements and contracts, laboratory fraud, and cyber fraud in partnership with other government agencies.
- The OIG also developed a Web-enabled interactive Compendium of Federal Environmental Programs, through the President's Council on Integrity and Efficiency, for more efficient program collaboration between federal environmental agencies.

In FY 2002 the OIG improved its organizational planning and performance. The OIG issued its first Annual Performance Report as a best practice among the federal Inspector General community, for which it received high praise by the Mercatus Center. The OIG Web site, <http://www.epa.gov/oig/earth>, contains information on its Annual Performance Report, Semiannual Reports, Strategic Plan, and other reports and facts. In addition, under the OIG statutory requirement for reporting on the Agency's Top Management Challenges, two new challenges were added: Air Toxics Program and Management of Biosolids. These challenges are described in Section III of this report, Management Accomplishments and Challenges.

Program Evaluations

Appendix A contains descriptions of program evaluations completed in FY 2002 that support the overall Effective Management Goal.

STATE AND TRIBAL PARTNER CONTRIBUTIONS

Because much of the day-to-day work to protect human health and the environment is done by state and tribal governments through federally delegated programs, EPA invites early input from its regulatory partners when setting long-range priorities and evaluating progress. In FY 2002 the ECOS and tribal representatives participated in EPA's FY 2004 Annual Planning Meeting to present recommendations for consideration during development of the Agency's budget priorities. EPA regional offices, in turn, consulted with states and tribes on overall EPA budget priorities and the development of regional budget initiatives. In spring 2002, as the Agency developed options

for a new strategic goal framework, it solicited the state perspective on the greatest challenges and opportunities in environmental and human health protection that the Agency and the Nation would likely face in the coming 5 to 10 years and carefully considered the states' viewpoint as EPA officials developed recommendations for presentation to the Administrator. When the new five-goal structure was announced, EPA continued consulting with states to help determine more precisely the desired results to be achieved under each of the new strategic goals. In FY 2003 EPA will continue to consult extensively with states in completing its revised Strategic Plan, due to the Congress and the public by September 30, 2003.

ASSESSMENT OF IMPACTS OF FY 2002 PERFORMANCE ON FY 2003 ANNUAL PERFORMANCE PLAN

There are no changes to FY 2003 APGs based on the results of FY 2002 performance.

Goal 10: Effective Management

Summary of FY 2002 Annual Performance Goals

5 Goals Met

1 Goals Not Met

0 Data Lags

A description of the quality of the data used to measure EPA's performance can be found in Appendix B.

FY 2002 Obligations (in thousands):

| | |
|-------------------------|-------------|
| EPA Total: | \$9,447,202 |
| Goal 10: | \$427,794 |
| Goal 10 Share of Total: | 4.5% |

FY 2002 Costs (in thousands):

| | |
|-------------------------|-------------|
| EPA Total: | \$7,998,422 |
| Goal 10 Costs: | \$390,191 |
| Goal 10 Share of Total: | 4.9% |

Refer to page I-13 of the Overview (Section I) for an explanation of difference between obligations and costs.
Refer to page IV-11 of the Financial Statements for a consolidated statement of net cost by goal.

Annual Performance Goals (APG) and Measures FY 1999–FY 2002 Results

Strategic Objective: Provide Vision, National and International Leadership, Executive Direction, and Support for All Agency Programs.

FY 2002 Cost (in thousands): \$48,467 (12.4% of FY 2002 Goal 10 Total Costs)

Progress Toward Strategic Objective: The Immediate Office of the Administrator and its regional counterparts provided the vision and leadership needed to enable EPA to meet its commitments to protect public health and the environment. Vision and leadership, as well as executive direction and policy oversight for all Agency programs are ongoing, evolving objectives. EPA continues its commitment to protect children's health and will continue to direct resources toward the programs that reduce risks to children from a range of environmental hazards. The Agency continues to work diligently to process all Title VII internal employment discrimination complaints and will continue to administer and monitor the implementation of affirmative employment programs. Furthermore, EPA will continue to manage special-emphasis programs designed to improve the representation, utilization, and retention of minorities, women, and persons with disabilities in the Agency's workforce and monitor the external compliance, including Title VI of the Civil Rights Act of 1964, which prohibits discrimination in programs and activities that receive financial assistance from EPA.

Strategic Objective: Demonstrate Leadership in Managing for Results By Providing the Management Services, Administrative Policies, and Operations to Enable the Agency to Achieve Its Environmental Mission and to Meet Its Fiduciary and Workforce Responsibilities and Mandates.

FY 2002 Cost (in thousands): \$60,921 (15.6% of FY 2002 Goal 10 Total Costs)

Progress Toward Strategic Objective: EPA's progress toward effective management and fiscal responsibilities is highlighted by quick response to changing needs while maintaining the highest quality standards for resource stewardship and management, managing changing needs for workforce skills, and keeping pace with new technology. EPA provided the management operations and customer service needed to support Agency environmental results.

| APG 66 | GPRA Implementation | Planned | Actual |
|---------|---|---------------------------------------|---------------------------------------|
| FY 2002 | EPA strengthens goal-based decision making by developing and issuing timely planning and resource management products that meet customer needs. Goal Met. | | |
| | Performance Measures | | |
| | - Agency's audited financial statements and Annual Report are submitted on time. | 3/01/02 | 2/27/02 |
| | - Agency's audited financial statements receive an unqualified opinion and provide information that is useful and relevant to the Agency and external parties. | 1 | 1 |
| FY 2001 | Same Goal. Goal Met. | 3/01/01 (timelines) 1 (opinion) | 3/01/01 (timelines) 1 (opinion) |
| FY 2000 | 100% of EPA's Government Performance Results Act (GPRA) implementation components (planning, budgeting, financial management, accountability, and program analysis) are completed on time and meet customer needs. Goal Not Met. | 100% | 85% |
| FY 1999 | By the end of 1999, the Agency can plan and track performance against annual goals and capture 100% of costs through the new Planning, Budgeting, Analysis, and Accountability structure, based on modified budget and financial accounting systems, a new accountability process, and new cost accounting mechanisms. Goal Met. | 9/30/99 | 9/30/99 |

Goal 10 - Effective Management

FY 2002 Result: EPA prepared and submitted, by the statutory due date of February 27, 2002, the FY 2001 financial statements and received a clean audit opinion from EPA's Office of the Inspector General (OIG). These statements, for the first time, included comparative schedules. In addition, the OIG did not cite any material weaknesses or recommend any additional corrective actions.

| APG 67 | GPRA Performance Measurement | Planned | Actual |
|---------|---|-----------|------------|
| FY 2002 | EPA continues improving how it measures progress in achieving its strategic objectives and annual goals by increasing external performance goals and measures characterized as outcomes by 2% in the FY 2003 Annual Performance Plan and Congressional Justification compared to FY 2002. Goal Met. | 2% | 10% |
| FY 2001 | Same Goal, different targets. Goal Met. | 4% | 4% |

FY 2002 Result: EPA exceeded the goal of a 2-percentage-point increase in outcome-oriented Annual Performance Goals (APGs) and Performance Measures (PMs). In FY 2002 EPA released the FY 2003 Annual Plan which included 49 APGs and 114 PMs that were subsequently classified as outcomes. The percentage of outcome-oriented APGs changed from 29% for FY 2002 to 36% for FY 2003 (an increase of 7 percentage points), while the percentage of outcome PMs changed from 29% to 40% (an increase of 11 percentage points). If APGs and PMs are added together, outcomes increased by 10 percentage points—from 29% for FY 2002 to 39% for FY 2003.

Strategic Objective: Effectively Conduct Planning and Oversight for Building Operations and Provide Employees With a Quality Work Environment That Considers Safety, New Construction, and Repairs and That Promotes Pollution Prevention Within EPA and With Our State, Tribal, Local, and Private Partnerships.
FY 2002 Cost (in thousands): \$227,568 (58.3% of FY 2002 Goal 10 Total Costs)

Progress Toward Strategic Objective: The Agency has made strides in ensuring that all of its employees are provided a safe and energy-efficient work environment by either consolidating employees into a central location or building new facilities. EPA met its strategic objective by consolidating thousands of employees in a well-planned central location that offers greater efficiency, comfort, and safety and lower operating costs, while maintaining consistency with its environmental mission. With its new facilities, EPA has ensured that its buildings are as energy-efficient and sustainable as possible to serve as models of healthy workplaces with minimal environmental impacts. Through innovative technologies and holistic approaches to design, construction, renovation, and use, the Agency is "living its mission" by practicing sound environmental management.

| APG 68 | Facilities Projects - Personnel | Planned | Actual |
|---------|---|------------|------------|
| FY 2002 | EPA will ensure personnel are relocated to new space as scheduled. Goal Met. <u>Performance Measure</u> - Percentage of EPA personnel consolidated into Headquarters complex. | 72% | 72% |
| FY 2001 | Same Goal, different targets. Goal Met. | 52% | 52% |

FY 2002 Result: EPA successfully relocated 72% of its headquarters employees to quality work environments that are safe and energy-efficient. This relocation was the conclusion of a 10-year effort by the Agency to improve the working conditions of employees in the Washington, DC area.

| APG 69 | Facilities Projects - Construction | Planned | Actual |
|---------|---|-------------------|-------------------|
| FY 2002 | EPA will ensure that all new and ongoing construction projects are progressing and completed as scheduled. Goal Met. <u>Performance Measure</u> - Percentage of complete build out of Customs and Connection Wing buildings. | 100% | 100% |
| FY 2001 | Same Goal, different targets. Goal Met. <u>Performance Measures</u> - Percentage of the new Research Triangle Park (RTP) building construction completed. - Percentage of the Interstate Commerce Commission (ICC) building construction completed. | 100% 100% | 95% 100% |
| FY 2000 | Same Goal, different targets. Goal Met. <u>Performance Measures</u> - Percentage of new RTP building construction completed. - Percentage of the ICC construction completed. - Percentage of EPA personnel consolidated into Headquarters complex. | 80% 80% 40% | 80% 80% 40% |
| FY 1999 | Complete at least 50% of construction of the consolidated research lab at RTP, North Carolina. Goal Met. | 50% | 60% |

| | | |
|--|------|-----|
| Continue renovation of the new consolidated Headquarters complex, completing 100% build out of the Ariel Rios north and Wilson Building, and 50% of the ICC, and moving 38% of EPA personnel from vacated spaces to the new consolidated complex. <i>Goal Met.</i> | 100% | 90% |
| | 50% | 50% |
| | 38% | 31% |

FY 2002 Result: Renovation and build-out of the final building in the Federal Triangle Complex were successfully completed. EPA's new space houses the cafeteria, as well as additional offices and services. The historic space is in keeping with the Agency's goal to provide a quality work environment that is safe and energy-efficient.

| APG 70 | Energy Reduction Technology | Planned | Actual |
|---------|---|---------|--------|
| FY 2002 | EPA will initiate a demonstration fuel cell at Ft. Meade Laboratory. <i>Goal Not Met.</i> | | |
| | <u>Performance Measures</u> | | |
| | - Percentage of fuel cell components in place. | 50% | 0% |
| | - Percentage of structure completed. | 100% | 0% |
| FY 2001 | Same Goal. <i>Goal Not Met.</i> | 10% | 0% |

FY 2002 Result: This project is a joint project involving EPA, the Department of Energy, the Department of Defense, Siemens Westinghouse, and the electric utility industry. At the beginning of FY 2002, the project consortium concluded that the output of the originally proposed fuel cell would not work properly with available standard-sized steam turbines, rendering the project economically unfeasible. The Agency then attempted to reconfigure the fuel cell project and establish a new funding partnership. Since adequate funding could not be found, the project is being terminated.

Strategic Objective: Provide Audit, Evaluation, and Investigative Products and Advisory Services Resulting in Improved Environmental Quality and Human Health.

FY 2002 Cost (in thousands): \$53,235 (13.7% of FY 2002 Goal 10 Total Costs)

Progress Toward Strategic Objective: The OIG made progress toward its objective by focusing on customer needs and investing its resources on evaluations of national environmental issues to identify improvements and solutions. The OIG is also providing advisory assistance to the Agency on GPRA, accountability, and data quality processes as well as promoting more collaborative approaches and techniques.

| APG 71 | Audit and Advisory Services ¹⁶ | Planned | Actual |
|---------|---|---|----------------------|
| FY 2002 | Improve environmental quality and human health by recommending 50 improvements across Agency environmental goals, identifying and recommending solutions to reduce 15 of the highest environmental risks, and identifying 15 best environmental practices. <i>Goal Met.</i> | 50 15 15 | 100 18 16 |
| FY 2001 | Office of Audit provides independent audits, evaluations, and advisory services, responsive to customers and clients, leading to improved economy, efficiency and effectiveness in Agency business practices and attainment of its environment goals. <i>Goal Met.</i> | | |
| | <u>Performance Measures</u> | | |
| | - Potential monetary value of recommendations, questioned costs, savings and recoveries. | 40M | \$67.2M |
| | - Examples of Office of Inspector General (OIG) recommendations/advice or actions taken to improve the economy, efficiency, and effectiveness of business practices and environmental programs. | 55 | 80 |
| | - Overall customer and stakeholder satisfaction with audit products and services (timeliness, relevancy, usefulness and responsiveness). | 77% | 80% |
| FY 2000 | Same Goal, different targets. <i>Goal Met.</i> | 64M 63 75% recommendations satisfaction | \$55.3M 78 76% |
| FY 1999 | In 1999, the OIG will provide objective, timely and independent auditing, consulting, and investigative services through such actions as completing 15 construction grant closeout audits. <i>Goal Met.</i> | 15 | 24 |

FY 2002 Result: The OIG exceeded the targets for this goal. The OIG is continuing its pursuit of improved environmental outcomes by focusing its product line on national environmental problems, issues, and results; promoting partnering relationships across governmental entities; and investing in additional follow-up to fully recognize the environmental benefits of its work. During the year, the OIG reported more than \$55 million in combined potential costs savings and recoveries; conducted 79 criminal civil or administrative

actions preventing the loss of resources and program integrity; and identified more than 384 recommendations, best practices, or risks. The OIG also received a 79% client satisfaction rating on the quality, timeliness, and usefulness of its staff products.¹⁷

FY 2001 Annual Performance Goals (No Longer Reported for FY 2002)

Evaluate the effectiveness of the Children's Valuation Handbook.

Notes:

1. Office of Management and Budget, The Executive Office of the President, Federal Management, *The President's Management Agenda*. Available at http://www.whitehouse.gov/omb/budget/fy2002/pma_index.html.
2. Office of Management and Budget, Executive Office of the President. Executive Branch Management Scorecard, Agency Scorecard: U.S. EPA (July 15, 2002). Available at http://www.whitehouse.gov/omb/budintegration/scorecards/epa_scorecard.html.
3. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, EPA Personnel System data report (August 10, 2002).
4. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, *Investing in Our People: EPA's Strategy for Human Capital 2001 through 2003*.
5. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, *EPA's Five Year Restructuring Plan* (May 2002).
6. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, Policy for Competition in Assistance Agreements, EPA Order 5700.5 (September 12, 2002).
7. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, Office of Acquisition Management, internal tracking.
8. U.S. EPA, Office of Administration and Resources Management, Office of Human Resources and Organizational Services, Policy for Competition in Assistance Agreements, EPA Order 5700.5 (September 12, 2002).
9. Ibid.
10. U.S. Marshall Service, *Vulnerability Assessments at Federal Facilities* (June 28, 1995).
11. Office of the President, Greening the Government Through Efficient Energy Management, Executive Order 13123 (1999).
12. U.S. EPA, Office of the Inspector General, OIG Audit Report 2002 P 00012 (2002).
13. U.S. EPA, Office of the Inspector General, *OIG Semiannual Report to Congress October 1, 2001 through March 31, 2002*, EPA 350-K-02-001.
14. U.S. EPA, Office of the Inspector General.
15. U.S. EPA. Office of the Inspector General, OIG Audit Report 2002 P 00019 (2002).
16. The OIG uses an internal Performance Results and Measurement Database to categorize and accumulate performance results from its products and services designed to influence improvements in EPA's implementation of its environmental programs.
17. U.S. EPA, *Office of the Inspector General, Annual Performance Report*. Available at http://www.epa.gov/oigearth/ereading_room/Perfm5.pdf.

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